



Kansas Health Policy Authority

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Executive Director

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Approved: January 12, 2007

Minutes – KHPA Board Meeting of December 12, 2006

Board Members Absent:

- Rob Kaplan
- Duane Goossen
- Dr. Howard Rodenberg
- Commissioner Sandy Praeger

All Remaining Board Members Present

Guest(s):

- Barbara Torkelson, KS Insurance Department

Board Staff Present:

- Dr. Marcia J. Nielsen, Executive Director
- Dr. Andrew Allison, Deputy Director

Legal Counsel Present

- H. Philip Elwood

Call to Order – Welcome by Connie Hubbell, Board Chair

Chair Hubbell called the meeting to order, welcomed the Board members and guests and reviewed the agenda.

Review and Approval of Minutes. The minutes from the November 15, 2006, KHPA Board meeting had been previously distributed and reviewed by the Board members.

ACTION: A motion was made, seconded and passed to approve these minutes as printed.

Retirement of SRS Secretary Gary Daniels – Appointment of Kathy Greenlee as Secretary of KDOA. Chair Hubbell congratulated SRS Secretary Gary Daniels on his recent retirement announcement and thanked him for his service to the KHPA Board. Congratulations were also extended to Kathy Greenlee who was recently appointed as Secretary of the Kansas Department on Aging (KDOA). She had been serving as Acting Secretary of KDOA since January 2006.

Town Hall Meeting Summaries for Pittsburg and Garden City. KHPA Board and staff hosted Town Hall meetings in Pittsburg and in Garden City on November 21st and December 6th respectively. A brief review of these meetings were provided by Board Vice-Chair Joe Tilghman and Board Secretary Susan Page. Attendance was approximately 50 at the Pittsburg meeting and 30 at the Garden City meeting, with local media representatives attending as well. Two legislators attended the Pittsburg Town Hall: Senator Jim Barone and Representative Julie Menghini; Representative Ward Loyd had planned to present testimony at the Garden City meeting but due to unforeseen circumstances was unable to attend. Several common concerns shared at both locations included: transportation issues, shortage of providers (especially mental health, home health, dental), availability of community services for the senior population, access to mental health services, and the impact of the Deficit Reduction Act (DRA) to the Medicaid consumers. Complete summaries of the Town Hall meetings can be found on the KHPA website: www.khpa.ks.gov

Report by Dr. Marcia Nielsen, Executive Director

Introduction of Deborah Merrill. Dr. Nielsen introduced Deborah Merrill to the Board members, who is the new KHPA Interagency Liaison and will be working on issues that cross-over into various state agencies, such as interagency agreements, the Deficit Reduction Act (DRA) workgroup, and implementation of combined agency legislation.

Kansas Health Institute's (KHI) on-line news service. Dr. Nielsen announced that KHI recently launched its on-line news service related to health issues for Kansans and that more information can be found at <http://www.khi.org>.

Agency Website: www.khpa.ks.gov

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Medicaid and HealthWave:

Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health

Benefits and Plan Purchasing:
Phone: 785-296-6280
Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364
Fax: 785-296-6995

Update on CMS Audits/Deferrals/Disallowances. Dr. Nielsen provided an update on the CMS' actions in the areas of Targeted Case Management, Local Education Agencies, and Child Welfare/Mental Health. Regular meetings are being held with KHPA leadership and CMS officials to continue dialogue and clarification of issues. Both Dr. Nielsen and Dr. Allison reported that progress is well-underway to address outstanding issues and thanked CMS officials for their spirit of partnership in working towards resolution. SRS Secretary Daniels also expressed his appreciation to CMS for their commitment in clarifying and resolving issues related to SRS programs.

Governmental and Legislative Affairs. Dr. Nielsen advised the attendees on several significant events in January:

1. January 8, 2007, is the first day of the 2007 legislative session.
2. January 10, 2007 is the Governor's State of the State address.

She closed by stating that she has had several meetings with key legislators to apprise them of the KHPA legislative initiatives and that she will keep the Board members updated on any critical legislative issues. She referred to the KHPA Board Legislative and Communication Policy which outlines the process for the Board members to follow when communicating with legislators, outside interested parties, and the media during the session.

Report by Dr. Andrew Allison, Deputy Executive Director and Acting Director of Medicaid and HealthWave Programs

New Citizenship and Identity Requirements for Medicaid Eligibility and Enrollment. Dr. Allison reviewed the new citizenship/identity requirements which became effective July 1, 2006, with the implementation of the Deficit Reduction Act (DRA). The new law requires any person applying for federally-funded medical benefits to document both citizenship (or legal presence) and identity in order to be enrolled. Dr. Allison briefly described the impact of the new requirements on the applicant as well as the enrollment process. He distributed a copy of the letter which has been sent to the Congressional delegation from the KHPA board and staff expressing concerns with this legislation, along with a fact sheet which provides detailed information on the required documentation, the impact on the beneficiaries and enrollment process, and the budgetary impact on KHPA. Dr. Nielsen and Dr. Allison plan to meet with members of the delegation in mid-February about this issue. Several Board members expressed concerns with the increased number of individuals whose cases have been closed or delayed due to these new requirements. Suggestions were made to: 1) revisit those families whose cases were initially closed to give them another opportunity to re-apply; 2) shift the burden from the beneficiaries by resolving the barriers encountered by these individuals; 3) offer alternatives to applicants, such as referrals to safety net clinics; 4) deploy KDHE Vital Statistics staff and set up call centers to obtain birth documentation, etc.

ACTION: Dr. Nielsen advised she would meet with staff from KDHE and the KS Ass'n of the Medically Underserved to develop alternatives for these families who have been impacted by this new legislation. She added that KHPA Board members and staff will need to collectively strategize with physicians and other providers to work out alternatives for these families.

ACTION: Chair Hubbell asked that this issue be revisited at the January Board meeting so that the Board could be updated on progress being made.

Status of Medicaid Managed Care Transition. Dr. Allison noted that the implementation date for the new Medicaid Managed Care contracts is quickly approaching (January 1st) and that progress continues to move smoothly and according to expectations. The new contractors, Childrens Mercy Family Health Partners and UniCare Health Plan of Kansas, have reported that their networks continue to increase and that they will have adequate provider numbers to serve the Medicaid beneficiaries. Enrollment packets have been mailed and beneficiaries will have until December 20, 2006, to enroll in a plan; after that date, those beneficiaries who have not enrolled will be automatically assigned to one of the two plans. Dr. Allison closed by stating that KHPA staff remains focused on ensuring a seamless transition to the new contractors; and that KHPA will continue to monitor the progress being made. Updates on the transition are posted on a regular basis to the KHPA website at: www.khpa.ks.gov.

Update on Disproportionate Share for Hospitals (DSH). Dr. Allison reported on the recent meetings held with hospital providers on the future of the DSH program in Kansas, which is used primarily as a source of funding to encourage providers to serve Medicaid patients. He stated that options in the disbursement of DSH funds have been developed and distributed to hospital providers for their review and recommendations. A meeting is scheduled for December 18th to review these options. An update on this issue will be provided to the Board at an upcoming meeting. Dr. Allison added that a report on this issue will be made to the 2007 legislature in March 2007.

ACTION: A request was made to place this update on the February 20th Board meeting agenda.

Presumptive Medical Disability (PMD). Dr. Allison presented on the PMD coverage, process, and program impact. PMD is a new unit within KHPA as of July 2006 and is a program in which an individual's application for disability is reviewed and determination is made to provide Medicaid coverage prior to a Social Security Administration (SSA) disability decision. This process provides earlier access to full Medicaid coverage to that individual, while permitting the State to receive

federal match prior to the final SSA disability decision. This program also provides presumptive disability determination for individuals seeking General Assistance (GA/MediKan coverage). KHPA staff members are in the process of developing a database to provide an analysis of the PMD program impact.

Report by Scott Brunner, Chief Financial Officer

Review of KHPA FY 2007 Expenditure Report. Mr. Brunner reviewed the FY expenditure report with the attendees which outlined expenditures through November 2006 in Assistance, Administration, Funding, and State Employees Health Benefits program. KHPAB Finance Committee Chair Ned Holland added that the committee members requested more detail on the "Other Operating Expenditures" and that detail would be shared at the January Board meeting.

KHPA FY 2008 Budget Appeal Items. Mr. Brunner distributed the list of the agency's FY 2008 budget appeal items which had been prioritized as follows:

1. Clearinghouse Staffing
2. Additional resources for Citizenship Verification Requirement
3. Additional KHPA Staffing
4. Medicaid and HealthWave Contract Shortfall
5. Data Management and Policy Analysis

There were a number of appeal items in addition to the top five prioritized above, including Healthy Kansas First Five, Enhanced Care Management, Extension of Community Health Record, Health Information Exchange, Health Information Transparency, Medicaid Coverage of Dental Services for Adults, Childhood Obesity Initiative, Health and Eligibility Outreach, Medicaid Long Term Care Partnership, and Fund KHPA Board Approved Studies.

Review of Performance Summaries for Medicaid and State Employees Health Plan. Mr. Brunner briefly reviewed the summaries outlining the numbers of Medicaid beneficiaries by population groups and total expenditures; and outlined also the State Employee Health Plan's summaries of average members by population group and total claim payments.

ACTION: Chair Hubbell advised there would be additional budget discussion at the January Board meeting to include the list of contracts over \$10 million for the life of the contract; and Mr. Brunner added that a historical overview of operating costs for the agency would be available the January meeting as well.

Updates from Dr. Marcia J. Nielsen, Executive Director

KHPA Advisory Councils. Dr. Nielsen explained that, in follow-up to previous discussions held regarding the creation of Board Advisory Councils and the development of the nomination process to these councils, a draft nomination letter for three Advisory Councils and an outreach plan had been written and was being distributed today for review and approval by the Board. This letter will be sent to stakeholders and legislators; and information on the nomination process will be posted in the Kansas Register as well as on the KHPA website. The deadline to submit letter of application and resume is January 17, 2007. A draft membership list will be available at the January Board meeting; the three Councils (Consumer, Provider, Purchaser) will begin meeting in March 2007.

ACTION: A motion was made, seconded, and carried to approve the draft nomination letter and the Outreach Plan, conditional that amendments/edits were made.

KHPA Health Indicators. Dr. Nielsen reported that KHPA staff will be prioritizing the list of health indicators in December and that a final list of health indicators will be available at the January Board meeting for the Board's approval. She added a draft report to the 2007 Legislature on this issue will be available at the January meeting as well.

ACTION: Chair Hubbell advised that the items (Prioritized list of Health Indicators and draft report to the 2007 Legislature) be placed on the January Board meeting agenda.

Recommendation to Delay Transfer of Additional Medicaid-funded Programs. Dr. Nielsen reviewed a recommendation from KHPA staff to delay any transfer of additional Medicaid-funded programs to KHPA for FY 2008. This issue had been discussed at the November 14th KHPA Board meeting and it was suggested to postpone any formal approval until the completion of the Town Hall meetings.

ACTION: A motion was made, seconded and carried that the KHPA Board recommends to the 2007 legislature that no additional Medicaid-funded programs be transferred to the KHPA for FY 2008.

Presentation by Karen Braman, Director of Quality and Innovation

Healthe MidAmerica. Ms. Braman provided background on the Healthe MidAmerica project, which is the nation's first employer-based Regional Health Information Organization (RHIO). Healthe plans to facilitate the secure electronic exchange of health information in the Kansas City region. Healthe involves 15 counties in the Kansas City area. KHPA is exploring joining as a pilot, with approximately 17,000 employees in the Kansas City area. An opt-out provision for employees will be available so employees could choose whether or not to participate. Ms. Braman introduced Jim

Hansen, CEO of Healthe MidAmerica who provided more detail on this project for the Board.

ACTION: Due to the amount of interest in this project and the number of follow-up questions submitted, the Board requested additional information on Healthe Mid-America at the February or March Board meeting.

Presentations by Secretary Rod Bremby, KS Dept of Health and Environment

Kansas Diabetes Quality of Care Initiative. Secretary Rod Bremby introduced Paula Marmet, Director of Office of Health Promotion with KDHE, who reported on the Kansas Diabetes Quality of Care Initiative. This Initiative makes available a chronic care model to a number of community health service organizations to monitor and help control diabetes among Kansans, including Medicaid consumers. This care model incorporates Self Management Support, Delivery System Design, Decision Support, Clinical Information Systems, and Community Resources and participating organizations include local health departments, community health clinics, safety net clinics, American Indian health clinics, home health agencies, and others.

Web Based Immunization Tracking System (KsWebIZ). Secretary Bremby then introduced Deb Warren, Project Manager of the KDHE Immunization Registry, who presented on the KsWebIZ system which makes available on-line a complete immunization tracking systems and contains four major modules: 1) History of a patient's vaccinations, demographic information, events, allergies, risks, etc.; 2) Three levels of inventory control at the provider level; 3) Extensive reporting on variety of information contained in the system; 4) Allows each user to customize some behaviors of the application. This system can be used by variety of providers and clinics; for added security, the WebIZ is accessed via the KDHE web portal. This system can also make available the official immunization records needed for admission to schools.

"Check-Up" Software Demonstration. Secretary Bremby introduced Bill Kerry with Innovision Software Applications who provided an on-line demonstration of the "Check-Up" software which can be used by individuals to track their personal health care in their homes. This software included a number of components such as personal health history, schedule of medical appointments, medications, allergies, and family health history.

Chair Hubbell thanked Secretary Bremby and his staff for providing these presentations and noted the various ways that individuals and providers are able to collect electronic data on health care and that the interest in electronic health records is ever-increasing. Dr. Nielsen added that there is potential to collect and analyze a vast amount of health data to provide data-driven decisions but that the policy challenge is ensuring that these systems interact with each other to avoid duplication or delay of services.

Proposed Statutory Revisions for 2007 Legislature. Marta Fisher Linenberger, General Counsel, reviewed draft statutory revisions which would revise the current law to allow for the KHPA Executive Director to approve regulations as well as review and decide motions for reconsideration of hearing officers' decisions. Included in this draft legislation was an amendment to the provision of the probate laws dealing with guardians and conservators, a technical edit substituting "Kansas Health Policy Authority" for the Department of Health and Environment on a section related to jointly proposing with the Kansas Insurance Department any rules or regulations related to the health care data, and a proposed new statute related to recovery from other third party payors, required by the DRA. This draft legislation was submitted today for the Board's review only, and Dr. Nielsen will keep the Board members apprised of the status of this during the legislative session.

Review of Draft Legislative Studies by Dr. Andrew Allison

Drivers License/State ID Requirement Draft Study. Dr. Allison reviewed the draft legislative study related to the impact of requiring Medicaid beneficiaries to present photo identification each time Medicaid services are received. The required photo identification would include either a current Kansas driver's license, a state-issued identification card, or a federally-issued passport. This study was requested partly in response to the report of a possible increase in Medicaid fraud in Kansas. The Executive Summary of this draft report suggested that certain populations may need to be exempted from the photo ID requirement and that there could be significant costs to Medicaid beneficiaries associated with the photo ID requirement. KHPA staff has contracted with the Fort Hays State University to conduct a feasibility study; the results of that study will be made available to the Board as soon as it is available. There were additional concerns expressed with: 1) the impact on those families already being required to provide additional citizenship documentation due to the DRA legislation implemented July 1, 2006; 2) the potential impact to those individuals with disabilities; 3) how the photo ID requirement at the point of service would be implemented in institutional settings, in a school setting, for foster-care children, and for recipients of the Durable Medical Equipment (DME) services; 4) how the photo ID requirement would conform with the emerging standard for health plan ID cards (being developed by the Governor's Health Care Cost Containment Commission). Overall the Board members agreed with the staff summary regarding concerns highlighted by the draft study. In addition, a number of Board members agreed that, since Medicaid beneficiaries are already experiencing delays in receiving health care services due to the new citizenship and identity requirements, this proposed photo ID requirement would only compound the situation and could have long-reaching effects on the costs and accessibility to health care services for that vulnerable population.

ACTION: Dr. Nielsen reminded the Board members that this draft study is due to the legislative committee on January 1, 2007; and she asked the members to review this draft over the next two weeks and to contact KHPA staff if they had

additional comments.

ACTION: Chair Hubbell requested that an additional recommendation be added that it was the consensus of the KHPA Board on this date that the impact of this proposed photo ID requirement would cause unforeseen implications for those individuals needing health care services and for the state in bearing associated costs related to implementation of this new requirement. In addition the Board would not support such a proposal without significant modification to address these concerns.

ACTION: Chair Hubbell requested that KHPA staff distribute copies of the Fort State University feasibility study to the Board members as soon as it becomes available.

Presumptive Eligibility Draft Report. Dr. Allison reviewed the draft legislative study related to the implementation plan for the Presumptive Eligibility (PE) program, the number of children served, and the cost of providing services under the PE program. He provided background on the program, stating that there are an estimated 40,000 Kansas children who are uninsured and potentially eligible for Kansas Medicaid/HealthWave program. Policy objectives for PE included: 1) uninsured children to gain access to ongoing preventive health care services through local hospitals and clinics; and 2) health care providers who care for a PE child be reimbursed for medical services at Medicaid reimbursement rates (instead of having to provide uncompensated care). A pilot process was initiated in three selected sites which were given authorization by CMS to perform presumptive eligibility determinations on-site. Training and the eligibility tools were provided to the test sites during early summer 2006. According to data collected on the PE program from July through November 2006, there were 651 children who have successfully applied for health insurance coverage through PE. Of those 651 children, there are 163 children who were successfully determined eligible for ongoing health insurance coverage in the HealthWave program. A quality review conducted late summer 2006 revealed that approximately 62% of families with presumptively enrolled children are not completing the application process for HealthWave; further study will be made to determine the barriers for families which are resulting in the failure to complete the application process. The average monthly cost to provide health care coverage for one child during the PE period from July 1st through November 30th is approximately \$320. Statewide implementation of PE is scheduled to occur in April 2007; and will be phased in across Kansas. Additional site training will be completed by end of December, at which time a survey will be conducted at each designated site to determine process improvements, identify barriers for families, and identify benefits gained from the PE program. After a short discussion about the PE program performance, the overall consensus of the Board was to consider expanding this program only after the program performance improves and after staff capacity at KHPA is determined to be sufficient; in addition, the Board suggested that a statewide expansion of PE to a predetermined number of providers should not occur but instead use the PE as an outreach tool which would be managed by KHPA staff on an ongoing basis, depending upon the program performance.

ACTION: Dr. Nielsen advised the Board members that this draft study is due to the legislative committee by the first day of the 2007 legislative session (January 8, 2006); and she asked the members to review this draft over the next two weeks and to contact KHPA staff if they had additional comments.

Review of Draft Agenda for the KHPA Board Retreat, January 22/23, 2007. Chair Hubbell reviewed the draft retreat agenda with the Board members and asked members to contact KHPA staff for any additional information on the Retreat. On Monday, January 22nd, Dr. James Mongan, Partners HealthCare System, Boston MA, will present on the Massachusetts Health Reform. Governor Sebelius and key legislators have been invited to speak as well. Secretary Duane Goossen will provide an overview of the state budget process, followed by specific program presentations by KHPA staff. On Tuesday, January 23rd, Secretary Rod Bremby will present on The Blue Sky Approach: Transformation of Health for Kansas, followed by a strategic visioning presentation by Board member Rob Kaplan.

Review and Approval of Proposed Regulations. Marta Fisher Linenberger, KHPA General Counsel, reviewed the proposed regulations 129-5-88, which proposes the coverage of pancreas transplants to Medicaid beneficiaries, and 30-5-8 revoking a regulation in the SRS section of the KARs and replacing in the KHPA section.

ACTION: As required by statute, a roll call vote was taken by each present Board member. There were 7 affirmative votes, with one dissenting vote, and one Board member was absent.

ACTION: A motion was made, seconded, and carried to approved these proposed regulations.

Public Comment. Those providing public comments today were:

1. Presentation by Sheldon Weisgrau, KS Health Institute: Completed Study of KS Specialty Hospitals – provided description of specialty hospitals; there are currently 11 specialty hospitals in Kansas; explained the controversy surrounding the specialty hospitals vs. general hospitals; summarized results of KHI analysis; explained the conclusions around services and specialization, payer mix, and impact; and closed by offering suggested policy options for KHPA in response to this study. A copy of the complete Study can be found on Kansas Health Institute website: www.khi.org

2. Paul Ahrens, KS Orthopedic Institute and President of KS Surgical Hospitals – recommended that KHPA looks at the quality of care that is provided at specialty hospitals; in many instances the care provided at a specialty hospital is superior and the nurse-to-patient ratio is much lower.
3. Jim Sargent, Salina Surgical Hospital – stated that specialty hospitals follow the same regulatory and licensing guidelines as other hospitals; the intent of specialty hospitals is not to damage any other institutions but bottom line is better care is provided to patients; encouraged KHPA to visit with patients within specialty hospitals as he is confident there is much better patient satisfaction at specialty hospitals compared to other institutions.

Chair Hubbell thanked these individuals for their comments; there being no additional public comments, the meeting was adjourned.

Next Meeting. The KHPA Board will meet on January 22/23, 2007, for a retreat at the Eldridge Hotel, in Lawrence, Kansas. An abbreviated regular monthly Board meeting will be held beginning at 12:30 pm on Tuesday, January 23, 2007, at the Crystal Ballroom at the Eldridge Hotel.

Agenda Items for January 23, 2007 Board Meeting.

1. Status of Impact of the new Citizenship and Identity Verification Requirements – Dr. Andrew Allison
2. Detailed list of agency contracts which total \$10 million or more (life of contract) – Scott Brunner
3. Historical Overview of Operating Expenditures – Scott Brunner
4. Review of Prioritized List of Health Indicators – Dr. Marcia Nielsen
5. Review Advisory Councils membership – Dr. Marcia Nielsen
6. Review of draft 2007 Legislative Report – Dr. Marcia Nielsen
7. Review of draft legislative study: Massachusetts Health Insurance Connector Program – Dr. Andrew Allison

Next Steps – Agenda Items for February 20, 2007 Board Meeting.

- a. Report on the Disproportionate Share for Hospitals (DSH) – Dr. Andrew Allison
- b. Presentation on Project InfoLinks – Dr. Howard Rodenberg
- c. Update on Healthe Mid America Pilot Project (either February or March Board meeting)

12/20/06